

UTILITIES- WASTEWATER & WATER FUNDS

MISSION STATEMENT

The mission of the Norfolk Department of Utilities is to enhance quality of life by providing excellent water and wastewater services at the best possible value for our customers.

DEPARTMENT OVERVIEW

The Department of Utilities is responsible for the operation of two enterprise funds, the Water Fund and the Wastewater Fund. The Department, comprised of eight divisions and over 370 employees, is organized as follows:

- **Water Production:** Responsible for providing safe, clean drinking water to City of Norfolk customers by operating and maintaining the Moores Bridges and 37th Street Water Treatment Plants, as well as raw water pumping and transmission systems.
- **Water Quality:** Ensures the provision of high quality, safe clean drinking water through compliance monitoring, testing, analysis, and reporting.
- **Wastewater:** Responsible for the maintenance and repair of wastewater mains and wastewater pumping stations that transmit sewage from Norfolk's homes and businesses to the Hampton Roads Sanitation District for sewage treatment.
- **Water Distribution:** Responsible for the maintenance and repair of the water distribution system and fire protection facilities.
- **Water Accounts:** Provides customer services to all users of Norfolk's Utility system including billing, meter reading, and meter maintenance and customer service inquiries.
- **Engineering:** Responsible for the management of the Department's capital improvement program and water and sewer installations for developer projects.
- **Accounting & Budget:** Provides technical support, accounting and financial services to the Department

The Director's Office: Provides administrative and leadership services to the Department. The Director's Office also provides support services such as: Human Resources, Public Relations, Communications and Grants Administration.

BUDGET HIGHLIGHTS

The FY2005 Water Fund proposed Operating Budget is \$72,415,000, a \$762,000 increase from the FY2004 approved budget. The FY2005 Wastewater Fund proposed operating budget is \$21,212,700, a \$1.9 million increase from the FY2004 approved budget.

The Proposed FY2005 budget for Wastewater Fund incorporates a \$0.30 per hundred cubic foot rate adjustment; the Water Fund incorporates a \$0.25 per hundred cubic foot rate adjustment. These rate adjustments are the second year of a gradual and predictable, multi-year rate plan adopted by City Council in 2003. This rate plan was adopted to support a \$340 million, 10-year capital improvement program to begin addressing the City's failing water and wastewater infrastructure.

The existing and anticipated Consent Order with the Department of Environmental Quality (DEQ), and increases in retirement contributions and health insurance are key drivers of the increase in the FY2005 budget for the Wastewater Fund. The FY2005 budgets for the Water and Wastewater Funds include funding to support the issuance of bonds to finance \$31 million of new capital projects.

The major initiatives for FY2005 are:

1. Improve the reliability of aging neighborhood water distribution and wastewater collection systems by continuing the implementation of the aggressive water and wastewater capital improvement programs started in FY2004. Additional engineering staff is proposed to handle the increase in the number of projects.
2. Reduce sanitary sewer overflows and response times by:
 - a. Having permanently assigned night and weekend crews in the Wastewater Division
 - b. Replacing aging and malfunctioning infrastructure
 - c. Reducing the number of grease related stoppages through a preventive maintenance/pipe cleaning program and a public education program.
3. Implement a valve maintenance program that will ultimately reduce the number of service disruptions and increase the speed of distribution system repairs.

Procure a new customer service information system to replace the Utility Billing Information System (UBIS).

The FY2005 budget includes 14 positions necessary to meet the anticipated requirements of a DEQ consent order and bring the City's dams into compliance with federal dam safety regulations.

KEY GOALS AND OBJECTIVES

Goal 1: To provide clean, safe, reliable drinking water to the customers of the Norfolk water system.

OBJECTIVE: Perform monitoring, analyses, and reporting as required by the Safe Drinking Water Act

Goal 2: To comply with the obligations of the DEQ Consent Order.

OBJECTIVE: Reduce sanitary sewer overflows by 10% in FY2005.

Goal 3: To maintain the credit quality and financial stability of the funds.

OBJECTIVE: Maintain financial indicators and benchmarks

Goal 4: To secure grant funding and low interest loans.

OBJECTIVE: Monitor sources for availability, apply as applicable

Goal 5: To continue implementing the recommendations of the Vulnerability Assessment.

OBJECTIVE: Implement security enhancements at the Department's major water facilities

PRIOR YEAR ACCOMPLISHMENTS

- Completed Sanitary Sewer Evaluation Study
- Obtained \$ 10 million of low interest rate loan financing from the Virginia Department of Environmental Quality's Wastewater Revolving Loan Fund.
- Developed new five-year water sales contract with the U.S. Navy.

- Obtained \$620,000 of grant funding from Environmental Protection Agency for sewer pump station replacements.
- Obtained \$471,000 of grant funding from Environmental Protection Agency for a neighborhood water distribution upgrade project.
- Won four Communicator Awards for the Department's annual report, "Fight the Fat" campaign, Department's website and employee training manuals.
- Continued delivering excellent quality water, 365 days, including throughout Hurricane Isabel.
- Completed the following water and wastewater capital projects:
 - Campostella Water Distribution & Sanitary Sewer Improvements – Phase 1
 - Estabrook Park Sanitary Sewer Upgrade
 - Haynes Tract Water Distribution Upgrade – Phase 2
 - Filer Street Pump Station
 - Lafayette Boulevard (Fairmount Park) Sanitary Sewer Replacement
- Hampton Boulevard Sanitary Sewer Replacement.

Wastewater Expenditure Summary

	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 APPROVED	FY2005 ADOPTED
Personnel Services	3,375,474	3,677,632	3,830,100	4,272,600
Materials, Supplies and Repairs	2,095,814	1,998,755	2,608,800	2,729,000
General Operations and Fixed Costs	949,840	1,981,268	1,765,800	2,136,400
Equipment	661,914	400,962	1,172,900	267,200
All- Purpose Appropriations	-	-	3,263,900	5,334,100
Debt	2,222,877	2,378,195	6,613,500	6,473, 400
TOTAL	9,305,919	10,436,812	19,255,000	21,212,700

Wastewater Revenue Summary

	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 APPROVED	FY2005 ADOPTED
Interest on Investments	136,413	120,086	174,700	-
Fees-Wastewater Maintenance	13,356,258	14,590,866	18,908,000	21,133,300
Recovered Costs	9,488	26,838	96,300	5,100
Water /Waste Water	14,185	2,538	46,000	54,200
Gain on Sale of Land	-	20,777	30,000	20,100
TOTAL	13,516,344	14,761,105	19,255,000	21,212,700

Wastewater Program & Services

	FY2003 ACTUAL	FY2004 APPROVED	FY2005 ADOPTED	FULL-TIME POSITIONS
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Wastewater Construction & Maintenance	8,058,617	12,641,500	14,739,300	102
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Contribute to the quality of life and health of Norfolk residents through the operation, maintenance, and repair of the wastewater collection system.

WASTEWATER FUND DEBT SERVICE

Debt Service	2,378,195	6,613,500	6,473,400	0
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Pay bond principal and interest for bond issues that fund the improvement of wastewater infrastructure.

TOTAL	10,436,812	19,255,000	21,212,700	102
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Wastewater Strategic Priority: Community Building

TACTICAL APPROACH:

Accelerate the wastewater capital improvement program in an effort to reduce the number of emergency repair requests.

PROGRAM INITIATIVES	FY02	FY03	FY04	FY05	Change
Emergency Repair Requests	15,500	11,900	10,200	10,000	-200

TACTICAL APPROACH:

Foster a healthy and safe environment for residents by minimizing the number of sanitary sewer overflows.

PROGRAM INITIATIVES:	FY02	FY03	FY04	FY05	Change
Sanitary Sewer Overflows	250	179	150	135	-15

Wastewater Position Summary

Position Title	Pay Grade	Minimum	Maximum	FY04 Positions	Change	FY05 Positions
Accounting Technician	OPS 07	24,023	38,407	3		3
Asst Supt of Utility Division	MAP 12	52,605	84,095	1	1	2

Wastewater Position Summary

Position Title	Pay Grade	Minimum	Maximum	FY04 Positions	Change	FY05 Positions
Crew Leader I	OPS 08	25,968	41,513	15		15
Data Quality Control Manager	OPS 10	30,430	48,644	1		1
Engineering Technician I	OPS 09	28,098	44,922	3		3
Equipment Operator II	OPS 06	22,243	35,559	7		7
Equipment Operator III	OPS 08	25,968	41,513	13	2	15
General Utility Supervisor	MAP 08	40,768	65,170	2		2
Maintenance Worker I	OPS 03	17,757	28,390	10	-4	6
Maintenance Worker II	OPS 04	19,124	30,575	23	2	25
Painter I	OPS 07	24,023	38,407	1		1
Senior Custodian	OPS 03	17,757	28,390	1		1
Senior Utility Maintenance Supervisor	OPS 12	35,790	57,213	4		4
Utility Maintenance Mechanic I	OPS 07	24,023	38,407	6		6
Utility Maintenance Supervisor	OPS 11	32,986	52,736	11		11
TOTAL				101	1	102

Water Expenditure Summary

	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 APPROVED	FY2005 ADOPTED
Personnel Services	9,847,122	11,039,585	11,172,800	14,105,700
Materials, Supplies and Repairs	8,242,796	7,890,804	8,599,300	8,586,100
General Operations and Fixed Costs	9,283,267	9,726,549	9,373,800	9,976,300
Equipment	874,999	429,342	369,600	635,200
All- Purpose Appropriations	8,000,000	8,500,000	12,843,000	11,571,800
Debt	13,884,905	16,605,925	29,294,500	27,540,000
TOTAL	50,133,089	54,192,205	71,653,000	72,415,000

Water Revenue Summary

	FY2002 ACTUAL	FY2003 ACTUAL	FY2004 APPROVED	FY2005 ADOPTED
Interest on Investments	1,811,632	1,331,392	968,400	585,000
Interest Other	139,225	89,357	62,000	-
Water Sales Revenue	61,572,179	64,933,282	61,261,000	66,091,800
Recovered Costs	1,321,843	1,618,404	1,861,800	1,361,800
Miscellaneous Fees	2,494,642	2,579,333	1,303,500	1,241,900
Gain on Sale	125,764	85,686	30,000	3,100
Retained Earnings	8,000,000	8,500,000	6,166,300	3,131,400
TOTAL	75,465,285	79,137,454	71,653,000	72,415,000

Water Programs & Services

	FY2003 ACTUAL	FY2004 APPROVED	FY2005 ADOPTED	FULL-TIME POSITIONS
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UTILITY DIRECTOR'S OFFICE

Administrative and Leadership Services	10,744,137	14,954,494	13,578,000	8
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Provide the best possible quality and value in water supply for the Hampton Roads region, and in water distribution and wastewater conveyance throughout the City of Norfolk.

DIVISION OF ACCOUNTING & BUDGETING

Technical Support and Accounting Services	511,719	583,206	674,800	11
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Provide quality financial services to all external and internal customers in a fiscally responsible and cost effective manner.

DIVISION OF ENGINEERING

Engineering Services	1,835,867	2,050,700	3,763,200	48
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Provide quality service to all customers through the management of CIP and maintenance of the City's water and wastewater infrastructure.

Division of Water Accounts	3,159,930	3,223,200	3,736,600	38
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Accounting, Billing and Collection Services provide excellent customer service to Norfolk water customers in the areas of billing, meter reading, and dissemination of information.

DIVISION OF WATER DISTRIBUTION

Distribution System Services	4,505,304	5,125,300	5,234,900	75
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Provide seamless water service for Norfolk residents by ensuring the proper operation and maintenance of the water distribution system.

Water Production Services	16,083,059	16,026,600	16,957,300	97
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Provide a reliable and safe water supply to customers by operating and maintaining the water treatment facilities, raw water pumping and transmission facilities, water storage tanks, and distribution pumping facilities.

Water Programs & Services

	FY2003 ACTUAL	FY2004 APPROVED	FY2005 ADOPTED	FULL-TIME POSITIONS
DIVISION OF WATER QUALITY				
Water Quality Services	746,264	748,900	930,200	9
Provide high quality water that meets or exceeds all state and federal regulations through careful assessment and monitoring of the raw water and treated water.				
WATER FUND DEBT SERVICE				
Debt Service	16,605,925	28,940,600	27,540,000	0
Pay principal and interest for bond issuances that fund the improvement of water plant facilities and infrastructure.				
TOTAL	54,192,205	71,653,000	72,415,000	286

Water Strategic Priority: Community Building

TACTICAL APPROACH:

Provide high quality water that meets all drinking water standards.

PROGRAM INITIATIVES	FY02	FY03	FY04	FY05	Change
Pumpage (million gal/day)	68.63	71.00	68.80	68.80	0
Compliance with Safe Drinking Water Act (days)	365	365	365	365	0

TACTICAL APPROACH:

Provide top quality customer service.

PROGRAM INITIATIVES	FY02	FY03	FY04	FY05	Change
Number of meters replaced	1,262	4,045	4,200	4,500	300
% bills with meters accurately read	99.93%	99.89%	99.86%	99.90%	.04%

Position Summary

Position Title	Pay Grade	Minimum	Maximum	FY04 Positions	Change	FY05 Positions
Accountant I	OPS10	29,980	47,926	1		1
Accountant II	OPS11	32,499	51,957	1		1
Accountant III	MAP06	35,519	56,783	1	-1	-
Accounting Supervisor	MAP09	42,789	68,359	-	1	1
Accounting Technician	OPS07	23,668	37,839	22		22
Administrative Analyst	MAP08	40,165	64,207	1		1
Administrative Assistant II	MAP03	29,705	47,486	2		2
Administrative Secretary	OPS09	27,682	44,258	1		1
Application Dev Team Supervisor	ITM06	52,350	83,688	1		1
Asst Dir of Customer Services & Management	SRM09	62,298	109,646	1		1
Assistant Director Utilities	SRM09	62,298	109,646	1		1
Assistant Supt of Utility Division	MAP12	51,827	82,852	2		2
Chief of Construction Operation	MAP12	51,827	82,852	1		1
Civil Engineer I	MAP07	37,756	60,361	2		2
Civil Engineer II	MAP10	45,555	72,826	1	1	2
Civil Engineer III	MAP11	48,572	77,650	3	1	4
Civil Engineer IV	MAP12	51,827	82,852	1	1	2
Civil Engineer V	MAP13	55,342	88,471	-	1	1
Collection Coordinator	MAP05	33,439	53,458	1		1
Construction Inspector I	OPS09	27,682	44,258	8		8
Construction Inspector II	OPS11	32,499	51,957	4	1	5
Construction Inspector III	MAP07	37,756	60,361	1	3	4
Crew Leader I	OPS08	25,584	40,899	13	1	14
Cross Connection Specialist	OPS09	27,682	44,258	3		3
Data Quality Control Manager	OPS10	29,980	47,926	1		1
Director of Utilities	EXE03	74,308	128,500	1		1
Electronics Technician II	OPS10	29,980	47,926	4		4
Engineering Aide	OPS05	20,309	32,459	3		3

Position Summary

Position Title	Pay Grade	Minimum	Maximum	FY04 Positions	Change	FY05 Positions
Engineering Manager	SRM08	58,469	102,906	1		1
Engineering Technician I	OPS09	27,682	44,258	5	1	6
Engineering Technician II	OPS10	29,980	47,926	3	1	4
Engineering Technician III	OPS11	32,499	51,957	-	1	1
Engineering Technician IV	OPS12	35,261	56,367	-	1	1
Enterprise Controller	MAP12	51,827	82,852	1		1
Equipment Operator II	OPS06	21,915	35,033	12		12
Equipment Operator III	OPS08	25,584	40,899	6		6
General Utility Maintenance Supervisor	MAP08	40,165	64,207	7	1	8
Human Resources Coordinator	MAP09	42,759	68,358	1	-1	-
Maintenance Worker I	OPS03	17,495	27,970	9	-1	8
Maintenance Worker II	OPS04	18,841	30,123	27		27
Manager of Budget & Accounting	SRM06	51,719	91,026	1		1
Messenger/Driver	OPS03	17,495	27,969	1		1
Management Services Administrator	SRM06	51,719	91,026	1		1
Office Assistant	OPS03	17,495	27,970	1		1
Programmer/Analyst II	ITM01	37,852	60,513	-		-
Programmer/Analyst III	ITM02	40,350	64,505	2		2
Programmer/Analyst IV	ITM03	43,032	68,494	3		3
Public Information Spec II	MAP06	35,519	56,783	1		1
Reservoir Manager	MAP05	33,438	53,458	1		1
Safety Specialist	OPS11	32,499	51,957	1		1
Senior Codes Specialist	OPS12	35,261	56,367	1		1
Senior Utility Maintenance Supervisor	OPS12	35,261	56,367	3	1	4
Senior Water Chemist	MAP07	37,756	60,361	2		2
Staff Technician II	OPS09	27,682	44,258	2		2
Support Technician	OPS06	21,915	35,033	6		6

Position Summary

Position Title	Pay Grade	Minimum	Maximum	FY04 Positions	Change	FY05 Positions
Utility Customer Service Manager	SRM06	51,719	91,026	1		1
Utility Maintenance Mechanic I	OPS07	23,668	37,839	27		27
Utility Maintenance Mechanic II	OPS08	25,584	40,899	4		4
Utility Maintenance Mechanic III	OPS09	27,682	44,258	1		1
Utility Maintenance Supervisor	OPS11	32,499	51,957	11		11
Utility Operations Manager	SRM07	54,952	96,715	1		1
Water Chemist	MAP05	33,438	53,458	6		6
Water Distribution Supervisor	MAP14	59,139	94,543	-	1	1
Water Production Manager	SRM07	54,952	96,716	1		1
Water Quality Manager	SRM05	48,746	85,793	1		1
Water Treatment Supervisor	MAP11	48,572	77,650	2		2
Water Treatment Plant Maintenance Technician	OPS08	25,584	40,899	11		11
Waterworks Operator I	OPS06	21,915	35,033	1		1
Waterworks Operator II	OPS08	25,584	40,899	8		8
Waterworks Operator III	OPS10	29,980	47,926	1		1
Waterworks Operator IV	OPS11	32,499	51,957	15		15
TOTAL				270	14	284

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